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## TRANSFORMATIONAL LEADERSHIP IN QUALITY MANAGEMENT

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# TRANSFORMATIONAL LEADERSHIP IN QUALITY MANAGEMENT

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## Abstract

Businesses of all types seek to combine the most appropriate leadership styles with the best management practices. This paper reviews the principles of Transformational Leadership along with the ideals of Quality Management and evaluates the effects Transformational Leadership can have on a Quality Management system.

Drawing from numerous leadership and management textbooks, journal articles, and online sources, various aspects of Transformational Leadership and how it relates to other leadership styles were examined. Also reviewed was the development and growth of Quality Management, and the various aspects of a quality management program, with a detailed look at three of the major quality management theories. Finally, how a Transformational Leader can improve a Quality Management program was evaluated.

Transformational Leadership is a leadership style that involves a leader striving to accomplish goals by learning and meeting the personal needs of their followers. By developing the skills and meeting the intrinsic needs of the followers, they claim ownership of their processes and are encouraged to produce at a greater level to meet the company's goals.

Quality Management is a management style that tries to improve the overall quality through continual improvement in all aspects of production, with the goal of reducing errors to near zero. Improving quality throughout the process allows for increased productivity, better products, more sales, and greater profits.

Transformational Leadership helps enhance Quality Management by focusing management and leadership attention on training, personal development of all followers, and improvement processes. A Transformational Leader will move a company forward with the help of every individual within the organization.

**KEYWORDS:** Transformational Leadership, Leadership, Quality Management, TQM, management.

## **Transformational Leadership in Quality Management**

When competing in the marketplace today, businesses seek the most qualified leaders using the most precise business practices in order to gain the most profit. One challenge is knowing what style of leadership is best suited for the organization during times of growth, change, and sustainment. Another challenge is deciding how a business is going to be run to stay competitive and gain the most profit for investors. The leadership needs of a business or organization varies depending on the type of business, the staff or employees, and the short and long term goals of the business. The operating method, or how a business plans, executes, monitors, and evaluates its performance is often determined by the type of business and its competitiveness. Leadership styles and management practices are two aspects of business that are usually considered as separate realms within an organization. Is it possible for a leadership style to have a direct impact on the management practices of an organization? This paper examines whether a transformational style of leadership can inform or improve a quality management style of operation.

### **What is Transformational Leadership?**

In order to determine if Transformational Leadership can improve quality management, we must first have a thorough understanding of the theory of Transformational Leadership. According to Northouse, Transformational Leadership is a process that changes and transforms people (2007). This style of leadership is concerned with the emotions of workers, their individual values, ethical conduct, high standards, and long term goals. This style of leadership works by assessing the motives of workers (followers) and striving to satisfy their needs, based on their motivations. At its core, it means treating followers as full human beings.

## **Transformational Leadership Defined**

The term Transformational Leadership was first coined in 1973 by James Downton (Northouse, 2007). But it was five years later that Burns defined Transformational Leadership as, “A process where leaders engage with others to create connections that raise the motivational levels and morality of both the leader and the followers” (Burns, 1978). In his book, *Leadership*, Burns separated the Transactional style of leadership from the Transformational style. The Transactional style of leadership occurs when leaders offer rewards, like pay and promotions, to workers in exchange for their work. Workers are motivated to work by the promise of making money to pay bills and buy necessities. Transformational leadership goes beyond the promise of incentives by attempting to improve the overall quality of life of the workers, at work and in their personal lives.

**What is unique about transformational leadership?** Bass (1996) broke Transformational Leadership down into four components, often referred to as the Four I’s. Those components are:

1. Idealized influence (also referred to as charismatic leadership),
2. Inspirational motivation,
3. Intellectual stimulation, and
4. Individualized consideration.

Its popularity may stem from its emphasis on intrinsic motivation and follower development (Bass, 2006). Next is a more detailed look at each of these factors and how they relate to leadership and to each other.

**Idealized influence.** Idealized influence describes leaders who are strong role models, someone that causes workers to identify with them. These leaders have high standards of moral and ethical conduct. Kuhnert (1994) described this kind of leader as one who has high internal values and ideals and who motivates followers to support the greater good over their own self interests.

Putting the needs of followers first is a component of Servant Leadership, another style of leadership that can help a leader develop idealized influence. Greenleaf (1970, 1977) developed the concept of Servant Leadership by believing that leaders developed by first being servants. A servant leader is one who focuses on the needs of followers to help them become more knowledgeable and more autonomous. Being a servant leader also carries a social responsibility to take care to include the have-nots within the organization and treat them as equals. It is easy to see how being a servant leader ties in well with the concept of putting followers needs first.

Idealized influence also involves the leader always doing the right thing. Their actions must always be honest and ethical. This goes beyond just saying the right things, because followers will usually know when the leaders' actions do not match their words. The leader's actions should always be consistent with their words (Senge, Roberts, Ross, Smith, and Kleiner, 2004). A sign that a leader has idealized influence is the fact that he or she is deeply respected by their followers and they are highly motivated by their relationship with the leader.

**Inspirational motivation.** As part of inspirational motivation, leaders communicate high expectations to followers to inspire them to commit to the shared vision of the organization and

make it part of their own vision. This type of leadership helps enhance team spirit and focus team members efforts toward achieving more than they would in their own self interest.

**Intellectual stimulation.** With intellectual stimulation, followers are encouraged to be creative and innovative. Leaders emphasize learning and create positive dynamics that encourage collaborative learning (Garcia-Morales & Verdo, 2008). Organizational learning is stimulated to drive performance by encouraging new approaches to issues and developing innovative ways for dealing with organizational issues. Northouse (2007), said that intellectual stimulation is enhanced by creating an atmosphere that encourages followers to challenge their own beliefs and values, as well as the beliefs and values of their leaders and the organization.

**Individualized consideration.** The final ‘I’ of Transformational Leadership is Individualized Consideration. As the name implies, this means that leaders get to know their followers as individuals. They know what motivates each follower as well as what each one wants to accomplish within their job and in life in general and they listen to their individual needs. Once they determine the individual needs of the followers, the leader then acts as a coach and advisor to help the follower attain their goals. The Transformational Leader is also a delegator. He delegates work to his followers as a way to accomplish more as well as a way to help followers develop and grow. Delegation helps followers improve their self-management and self-development skills (Avolio & Gibbison 1998). This development in turn helps the individual followers, the leaders, and the organization to achieve success and realize their goals.

### **Transformational Leadership in Action**

What does Transformational Leadership look like? In order to better understand how Transformational Leadership actually works, we will look at one recent example. For this

example, we will look at David Ossip, CEO of Ceridian (Efron, 2016). Ceridian is a leading provider of human resources software. When Ossip became CEO of Ceridian in 2013, the organization had a highly disengaged workforce and a declining share of the marketplace. Upon examining the organization, Ossip realized that the company has lost its original focus and communication within the organization was a major problem, leading to much of the company's employees being disengaged. Ossip instituted programs to encourage employees to submit new ideas to upper management while making management more accessible to every worker. He also redefined the organization's purpose so that everyone within the organization knew what they were working for. After just three years with Ossip as CEO, Ceridian is a world leader in human resources programs, breaking sales records on a regular basis. Employee engagement is extremely high and attrition has been greatly reduced.

What are the Transformational Leadership factors displayed by the change at Ceridian? First, there is the idealized influence of Ossip. His charisma and enthusiasm enabled him to quickly get his senior leadership team behind him. The leadership team adopted his values and began to model these values for their followers. They demonstrated that they believed in the company values and that they could live up to their words. Ossip showed inspirational motivation by communicating his vision to his followers, who in turn communicated the company's values to their followers. The leadership also communicated high expectations to the workers in the company. Their dedication to the values of the company inspired the followers to share in the new vision of the organization, making it their own. By establishing procedures for employees to share and promote their ideas for improvement to upper management, Ossip encouraged all employees to be creative and innovative. The ideas that were chosen for implementation were supported, funded, and celebrated, which demonstrated a true commitment



to intellectual stimulation. This helped lead to a large increase in performance for the company. Finally, Ossip listened to his workers. By using regular surveys, he was able to determine what factors lead to disengagement and make changes that mattered to the employees. If they believed that too much was being asked of them, Ossip made expanded work groups in order to handle the larger work loads, keeping the work-life balance manageable for employees (Efron, 2016). This example shows how Transformational Leadership can make a difference in a business or organization.

### **Strengths of Transformational Leadership**

Transformational Leadership, as a leadership style, has many strengths. One strength is that it has been heavily researched and studied (Lowe & Gardner, 2001). There has been a lot of attention paid to this form of leadership, with many positive examples. Northouse (2007) also points out that Transformational Leadership also has an intuitive appeal. When looked at closely, the factors of Transformational Leadership just seem to make sense. This form of leadership also gets followers more involved in the leadership process (Bryman, 1992). Instead of a process that is happening to them, this is a process that happens with them and because of them. Avolio (1999) and Bass (1985) both point out that Transformational Leadership is an expanded view of leadership that includes attention to the needs and growth of followers in addition to an exchange of work for rewards. This is clearly one of the major strengths of this style of leadership. It also involves attempts by leaders to improve the moral responsibility in followers (Burns, 1978), which is important in this age of increased focus on ethics. Transformational Leadership also motivates followers to put aside self-interests for the benefit of the organization or community (Howell & Avolio 1993, Shamir et al., 1993). This can only benefit businesses and society as a

whole. Finally, Yukl (1999) wrote that transformational leadership is just an effective form of leadership. These strengths all point to a leadership style that is worthwhile and effective.

### **Weaknesses of Transformational Leadership**

Despite all of the positive aspects and strengths of Transformational Leadership, there are some detractors and some weaknesses with the leadership theory or style. Northouse (2007) describes Transformational Leadership as being too broad and lacking in clarity. The factors of this leadership style are not clearly defined to make it exclusive of other leadership styles. Tejada, Scandura, and Pillai, (2001) back this up by claiming that some of the factors of the transformational model are not unique. Another criticism of Transformational Leadership is the overlap between the Four I's (Tracey, 1998). This is similar to the claim that it is too broad and lacking in clarity and, as Tejada, et al. (2001) point out, this makes it extremely difficult to measure results.

A major criticism of Transformational Leadership, voiced by Bryman (1992), is that the Idealized Influence factor, with its charisma component, blurs the distinction between Transformational Leadership and Charismatic Leadership. Others expand on this by saying that this style has the potential for being abused due to the charismatic factor. Baily and Axelrod (2001) mention that charisma and follower worship are major concerns; others claim that it can be used for destructive purposes because of its charismatic nature (Conger, 1999, Howell & Avolio 1993). Examples like Hitler and Mussolini come to mind as charismatic leaders with destructive purposes.

Another concern with Transformational Leadership is that it treats leadership as a trait instead of a learned behavior (Bryman, 1992). Finally, there is the opinion that Transformational Leadership is seen as elitist and antidemocratic (Avoloi, 1999, Bass, 1993). This belief stems from the fact that Transformational Leadership begins at the top of an organization and trickles down to the lower levels of the organization.

### **Summary of Transformational Leadership**

Despite a few weaknesses, Transformational Leadership is a powerful style of leadership that is backed up by a large amount of research and practice. Using Transformational Leadership, leaders hope to transform their organization into one that takes care of all employees and constantly improves. This leadership style includes four factors: Idealized Influence, Inspirational Motivation, Intellectual Stimulation, and Individualized Consideration (Northouse, 2007). By focusing on these factors, a leader can transform the organization and its employees into an organization that is morally responsible and tuned to the needs of customers and staff alike. Transformational Leadership begins with a charismatic leader who inspires others to succeed through their values and actions. While it contains many aspects similar to Charismatic Leadership, it goes beyond that style by including the growth and development of followers. Transformational Leadership works because, “By linking individual and organizational interests, transformational leaders encourage followers to make sacrifices for the organization because they know that they will prosper when the organization prospers” (Williams, 2016, p. 310). This aspect of Transformational Leadership makes it a style of leadership that will continue to be popular into the future.

## **What is Quality Management?**

Quality Management (QM) is a management style that integrates all functions of a business to improve the quality of products or services through continuous efforts of all members of the organization (Nixon, 2016). It differs from older management styles that focused primarily on producing high volumes at low cost (Nixon, 2016). The goal of quality management is to work as a team, management and employees, to improve product quality by preventing errors that reduce quality or increase the cost of production. This is accomplished by focusing on quality, standardized procedures, teamwork, and proactive management philosophies.

The development of QM is usually attributed to the works of W. Edward Deming, Joseph M. Juran, and Philip B. Crosby (Nixon 2016). Deming helped develop the QM concept when he was sent to Japan by the U.S. State Department after World War II to help rebuild Japanese industry. Nixon (2016) noted that Deming introduced the idea of “statistical process control” methods to the Japanese which seemed to fit into their culture rather well. Deming’s concept was that as quality improves, costs go down and productivity goes up. This helps create more jobs, improved market share, and long term survival in the marketplace. The key to QM, according to Deming, was to stress employee pride and satisfaction by having management focus on improving the processes, not the workers (Nixon 2016).

Juran also developed his management model in Japan by helping them improve quality during the 1950’s. Unlike Deming, Juran focused less on employee satisfaction and more on management and technical methods in order to improve customer satisfaction. Juran believed that there were diminishing returns to increased quality; there was no need to develop a product that would last for ten years if the average consumer was going to replace it in five years. He also applied the Pareto Principle to QM. The Pareto Principle states that eighty percent of trouble

comes from just twenty percent of the problems. Juran stressed that management should focus on the vital problems and not get distracted by minor issues (Nixon 2016).

Crosby's contribution to QM involved a focus on prevention instead of correction. He believed that by using good quality practices, a company can avoid poor quality that can cost twenty percent of a company's revenue. Crosby stood by four basic rules: quality means conforming to requirements; prevention is how to achieve quality; zero defects should be the performance standard; non-conformance is the measure of quality (Nixon 2016). We will be looking closer at the contributions of these three innovators shortly.

### **TQM, Six Sigma, and Lean**

There is often confusion about the differences between TQM, Six Sigma, and Lean. Many people consider them the same thing with different names, but they are each different in their own way. Hellsten and Klefsjo (2000) define TQM as an evolving management system with values, methodologies and tools which are used to increase both external and internal customer satisfaction by reducing the amount of resources used. Six Sigma, on the other hand, is defined as a business process allowing companies to improve their bottom line through a systemic process of designing and monitoring everyday activities in order to minimize waste and resources in order to increase customer satisfaction (Magnusson, 2003). Finally, NIST (2000) defines Lean as a systemic approach for identifying waste and eliminating it by seeking constant improvement, driven by the customer, while pursuing perfection. While these processes are all similar, they each have unique properties. What they all have in common is a focus on customer satisfaction and a goal toward reducing waste while improve output. Any one, or all, of these processes could be used as part of a Quality Management program.

## **Quality Management Defined**

Nixon (2016) defines Quality Management as an integration of all functions of a business to achieve high quality products through continuous improvement efforts of all employees.

Nixon (2016), wrote that Quality Management is often referred to by different names, including total quality management, continuous quality improvement, statistical quality control, and total quality control. It is difficult to discuss QM without also discussing Total Quality Management (TQM), since the two are often used together within an organization. Total Quality Management is defined as the continuous improvement activities involving everyone in the organization in a integrated effort to improve performance at all levels (Nixon 2016). To put it another way, QM's goal is to provide products and services that are predictably better and more reliable than your competitor, while TQM involves a process of continually evaluating production or procedural processes and making changes that are better for the customer as well as the organization. For example, QM might involve developing a standardized procedure for taking orders to ensure that the customer always gets the right product. TQM, on the other hand, would mean developing ways to take those orders more accurately and more quickly to improve efficiency (HCl, n.d.). With this understanding of what QM and TQM are, we can now look at how they work.

## **Features of Quality Management and Total Quality Management**

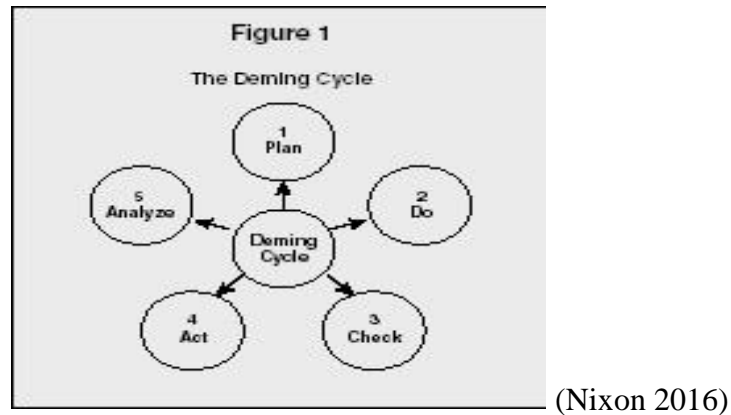
The overall goal of QM and TQM is to achieve a competitive advantage. Powell (1995) wrote that the use of TQM has increased dramatically and that it has developed from the QM ideas put forth by Deming, Juran, and Crosby. Today, TQM is used almost exclusively when referring to a quality management program. A closer look at each of the models put forth by these innovators will give a better understanding of what TQM is today.

**Deming's fourteen points.** Deming based his ideas on the need for statistical process control with an emphasis on quality over quantity. With this in mind, he developed the Deming fourteen points for management that can be summarized as follows:

1. Create a plan and communicate the plan through mission statements and company culture.
2. Learn and adopt the new philosophy of quality.
3. Understand inspection without relying of mass inspection.
4. Do not award business based on price alone.
5. Constantly improve the system.
6. Institute training throughout the organization.
7. Teach and institute leadership.
8. Drive out fear of failure. Create trust and encourage innovation.
9. Break down barriers between teams, groups, and staff.
10. Eliminate exhortations and targets. Instead, provide methods of achievement.
11. Do away with quotas for the work force.
12. Promote pride in workmanship.
13. Encourage training, education, and self improvement for everyone in the organization.
14. Develop a plan of action and make quality everyone's job (Deming, 1986).

Deming believed that following these fourteen points will lead to improved quality management, which in turn would lead to growth and profits. He also developed what is known as the Deming Cycle as a guide to quality management. It includes five steps: Plan, research the consumer and the product; Do, produce the product; Check, check the product for quality; Act, market the

product; and Analyze, to determine how the product is received in the market (Nixon 2016). This cycle is illustrated in Figure 1 below.



Deming is also known for developing his list of Seven Deadly Diseases which can have a negative impact on TQM. Those diseases are:

1. Lack of consistency of purpose to plan products and services.
2. Too much emphasis on short-term profits.
3. Personal review systems for managers and management by objectives.
4. Job hopping by managers.
5. Using only visible data in decision making.
6. Excessive medical costs.
7. Excessive costs of liability driven up by lawyers that work on contingency (Nixon 2016).

As we can see, Deming gave the business world a lot to think about in the arena of Total Quality Management. Juran followed Deming in quality management in Japan with a greater emphasis on customer satisfaction and management and technical methods than Deming. The Union of Japanese Scientists and Engineers liked Juran's top-to-bottom style of quality



management even more than Deming's views for quality turnaround (Nixon 2016). Although his ideas were different, they added to the ideas of Deming to create a more robust management style.

**The Juran trilogy.** Juran's concept of QM is a bit simpler than Deming's in that it contains three basic rules. The Juran Trilogy calls for the following:

1. Quality planning: Set goals for improvement, identify the customers and their needs, and develop products and processes to meet those needs.
2. Quality control: Evaluate performance, compare that performance to the goals, and adapt as needed to meet the goals.
3. Quality improvement: Establish an infrastructure to support quality, identify projects as needed and create teams to work them, provide teams with the resources they need, and establish controls (Juran, 1992).

Since the overall goal of QM is to improve quality, Juran listed ten steps to quality improvement:

1. Build awareness of opportunities to improve. Everyone should be looking for opportunities to improve and everyone should feel free to provide input for improvement.
2. Set goals. Clear goals should be set and communicated so they are understood by everyone.
3. Organize to reach goals. Teams should be cohesive and flexible.
4. Provide training. This includes training at all levels of the organization.
5. Carry out projects to solve problems. Create focus groups of experts as needed.
6. Report progress. Keep everyone informed about how the organization is doing.

7. Give recognition. Recognize and reward those who make major contributions.
8. Communicate results. Good or bad, everyone should know if the organization is being successful.
9. Keep score. Track ups and downs.
10. Maintain momentum by making annual improvement part of the systems and processes of the company. Goals should include improvement from year to year to avoid complacency (Nixon 2016).

These common sense steps are designed to help any organization get started and maintain a path toward quality management. While Deming focused a lot on employee satisfaction and Juran focused on customer satisfaction, the third contributor to TQM, Crosby, focused more on prevention as a way to achieve quality improvement.

**Crosby's fourteen quality steps** Like Deming, Crosby developed fourteen steps for Quality Management. Crosby's motto was that quality is free since prevention costs less than detection and correction. Crosby's fourteen points are:

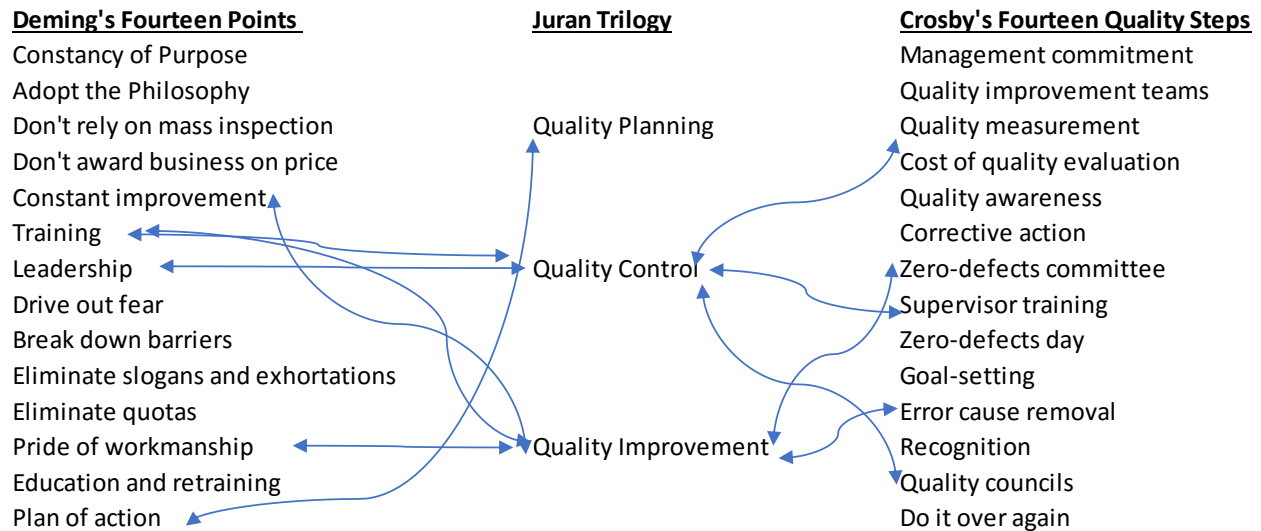
1. Management commitment is an absolute must for quality management. Top managers must buy in to quality and communicate that fact to the entire company.
2. Develop quality improvement teams composed of department heads and subject matter experts to oversee improvement.
3. Establish quality measurements for each and every activity in the process.
4. Evaluate the cost of quality to identify areas that need improvement.
5. Include all employees in quality awareness.
6. Take corrective action immediately as needed.
7. Plan for zero defects.

8. Train supervisors for quality implementation.
9. Schedule zero defect days.
10. Set goals for all individuals.
11. Remove causes of errors by encouraging employee to management communication.
12. Recognize successes for those who meet quality goals, but make the recognition non-tangible and meaningful.
13. Create quality councils that meet regularly.
14. Repeat steps one through thirteen and do it over again (Crosby, 1984).

Crosby gave us a step by step blue print for establishing and maintaining a QM environment.

All three of these concepts contribute to the concept of Quality Management that we see today and helped form the basis for Total Quality Management. Despite their differences, there are several similarities between the three models of QM. Deming's constant improvement can be tied to Juran's quality improvement which is related to Crosby's quality improvement teams, zero-defects committee, and error cause removal. Crosby's zero-defects committee and error cause removal are both designed to constantly improve quality. At the same time, Deming's leadership point can be related to Juran's quality control. That, in turn, ties well with Crosby's quality measurement, supervisor training, and quality councils. Crosby's quality measurement, supervisor training and quality councils all impact quality control, which is an important aspect of Quality Management. These ties are all illustrated in Figure 2 below.

Figure 2



While these three concepts form the basis of TQM and helped shape today's QM environment, Powell (1995) has taken them, along with other research into TQM, to formulate the Twelve Factors of TQM. These twelve factors incorporate each of the above works into a consolidated list that includes the following:

1. Committed leadership: an unwavering, all-out commitment by all levels of management are required for a quality management program to work.
2. Adoption and communication of TQM: management commitment can be communicated by the company's mission statement, slogans and themes.
3. Closer customer relationships: know your customers, internal as well as external, determine their needs and then meet those needs.
4. Closer supplier relationships: work closely with suppliers to ensure they are providing inputs that meet customer requirements.
5. Benchmarking: become familiar with best competitive practices through research and observation.

6. Increased training: to include TQM principles, team and problem solving skills.
7. Open organization: remove barriers to other departments and upper levels of management.
8. Employee empowerment: involve employees in design and planning, and give workers more autonomy to make decisions on the job.
9. Zero-defects mentality: plan for no defects and train to spot defects as they happen.
10. Flexible manufacturing: (for the manufacturing industries) adopt any methodology that will produce results.
11. Process improvement: continuously improve processes using cross-departmental process analysis.
12. Measurement: use statistical methods for constant performance measurement.

As mentioned before, these twelve factors combine the components of several models into one working model for TQM within an organization. Many different tools and methodologies are available that can be tailored toward a specific business or industry, such as Six Sigma, ISO, JIT delivery, design for manufacturability, statistical process control, and many others. All of these can be used within the framework of a TQM system.

### **Total Quality Management in Practice**

TQM has become a widely used management system world wide, so much so that the International Federation of National Standardizing Associations (ISO) includes quality as one of their standardization and certification categories. Obtaining an ISO certification lets customers know that the business is serious about quality (Quality Management Principles, 2015). ISO certification can help an organizing by widening its market potential, ensuring compliance to procurement tenders, improving efficiency, reducing costs, improving customer service, and

increasing employee motivation and moral. The ISO has developed seven quality management principles (QSPs) that serve as criteria for ISO certification for quality (Quality Management Principles, 2015). These criteria will look similar to the TQM factors already discussed but, due to their importance, are worth noting in detail here. The seven QMP's considered by the ISO include the following items.

**Customer focus.** A company should recognize the customers, internal and external, that receive value from the organization, and understand their current and future needs and expectations. Customer needs and expectations should be the main consideration when determining the company's objectives and those objectives should be communicated clearly throughout the company. Every step of the company's production should be geared toward customer's needs. Monitor customer satisfaction and take action to correct deficiencies quickly. Maintain a relationship with customers to continue having success (Quality Management Principles, 2015).

Following these steps should help a business increase their customer value and satisfaction, improve customer loyalty, encourage repeat business, improve the company's reputation, and increase their customer base and market share; which will, in turn, improve revenue.

**Leadership.** The company should clearly communicate their mission, vision, strategy, and policies to all levels of the organization. Create sustained shared values and ethical business practices at all levels of the company, which will also create a culture of trust and integrity. Organization wide commitment to quality must be established to ensure continued quality. Leaders should also remove barriers to success and innovation by provided necessary resources,

training, and autonomy throughout the company and recognize individual contributions and success stories (Quality Management Principles, 2015).

A quality leadership approach will help a company increase effectiveness and efficiency in meeting quality objectives, provide better coordination between processes, improve communication in all directions within the company, and develop and improve organizational capabilities.

**Engagement of People.** Improving quality involves getting individuals engaged by clearly communicating the importance of individual contributions to the company goals. Companies should promote collaboration from all levels of the company by facilitating open discussions and knowledge sharing, as well as empower individuals to take risks without fear of repercussions. Businesses should also acknowledge progress at all levels. Companies should also determine employee satisfaction through the use of surveys, and communicate survey results along with planned courses of action to address identified issues (Quality Management Principles, 2015).

Getting employees fully engaged will improve knowledge of company quality objectives by all employees, and encourage participation in improvement activities. It will also help enhance their personal development which will improve job satisfaction. Engagement will also increase trust and collaboration within the company.

**Process Approach.** Since processes are a major target of TQM programs, it only makes sense that process approach is an aspect of ISO certification. For a process approach, companies should define the objectives of the systems and the processes needed to complete the objectives and clearly establish authority and accountability for managing each process. The company must

fully understand the organization's capabilities and the constraints that can impact success before taking action. Businesses should clearly define interdependencies within the system and consider the effect of changes to individual processes on the system. Processes and interdependencies should also be managed as a complete system to ensure effectiveness and efficiency. Finally, a company should ensure the required information is available for all employees so they can effectively operate within and improve processes (Quality Management Principles, 2015).

Having a clear process approach within TQM will improve the company's ability to focus on key processes and identify key opportunities for improvement while allowing for a consistent and predictable outcome within the system. It will also help to optimize performance by improving efficiency and cross-functional communication.

**Improvement.** Companies should create improvement objectives for every level of the organization and train all levels with the tools and methodologies needed to achieve the quality objectives. This will help make sure that individuals are competent in their jobs enough to contribute to improvement projects. They should also track, review, and audit each step of the improvement process to allow for timely corrections and modifications. Improvement considerations should also be included with the development of any new process, product, or service. Finally, companies should recognize and acknowledge all improvements, regardless of size (Quality Management Principles, 2015).

A focus on improvement will result in increased process performance, which will increase company capabilities and customer satisfaction. It will also allow for better focus on issues as they arise to allow for quick prevention and corrective actions. Ideally, focusing in improvement will also allow the company to anticipate risks and opportunities for a more rapid



response. For the individual, a focus on improvement should lead to more learning and increased innovation.

**Evidence-based Decision Making.** Making decisions based on evidence will allow a business to accurately analyze and demonstrate the organization's performance. It will require making all necessary data available to the appropriate people, ensuring that the information is accurate, reliable, and secure. Suitable and acceptable methods should be used to analyze data, using people who are properly trained and competent. Management should use evidence, along with experience and intuition, to make informed decisions and to take appropriate action (Quality Management Principles, 2015).

Using evidence to make decisions will improve the decision making process, improve assessment of performance and objectives, increase ability to review and challenge opinions and decision's and increase the organization's ability to demonstrate sound decisions made in the past.

**Relationship Management.** The final QMP for ISO consideration is relationship management. With relationship management, a company should consider the relationship of all relevant parties (vendors, partners, customers, employees, and society) to the company and prioritize all relationships that need to be managed. Short term and long term goals should be considered when prioritizing relationships. A company should be willing to pool resources and information with relevant parties to improve efficiency. They should also encourage collaboration on development and improvement projects with appropriate suppliers and partners and recognize improvements and achievements by their partners and suppliers (Quality Management Principles, 2015).

Focusing on these seven quality management principles will allow an organization to develop and maintain a QM program. All it takes to develop a good QM program is a commitment by all levels of the organization, and an organized plan following the guidelines of the ISO.

### **A Total Quality Management Success Story**

There are many QM success stories, but one that stands out is the story of Motorola (Quality Magazine, 2003). The company was already a leader in military, space, and commercial communications in the 1960s, but wanted to expand into the international market. Motorola started developing its quality management program in 1980 by establishing the position of Corporate Quality Officer. They established their Training and Education Center in 1981 to provide employees with training in quality and management skills. Near the end of the 1980's, the company was competing internationally, but still lagging behind the Japanese in the electronics market. In order to improve quality even more, Motorola developed the concept of Six Sigma. Their efforts paid off as they were awarded the Malcolm Baldrige National Quality Award from the U.S. Congress in 1988. They were the first large companywide winner of the award. Today, they are a leading provider of wireless, broadband, and Internet technologies for individuals, business, vehicles, and homes.

While there were ups and downs during the years as they entered new markets and developed new products, the lessons learned for quality improvement and quality commitment basically align with the basic concepts of a QM system. The lessons learned include:

- Top down commitment and involvement
- Measurement systems to track progress

- Tough goal setting, establishing the highest standards
- Employee training and education
- Recognize successes
- Focus on the customer
- Strive for continuous improvement (Quality Magazine, 2003)

It is easy to see that the lessons learned by Motorola as they developed their Total Quality Management program easily align with the basic principles of QM.

### **Strengths of Quality Management**

There are several strengths of QM programs that make them attractive to organizations. First, the primary focus is on continual improvement. With proper focus from management, and thorough communication in all directions, everyone is involved in the improvement process. Second, focusing on customer needs and satisfaction enables the company to quickly see what works and what does not work. Third, quality practices help ensure things get done right the first time, and every time. Finally, QM helps save the company money by eliminating errors. This means better profits and better future growth (Business Knowledge Source, 2010).

### **Weaknesses of Quality Management**

As with any process, policy, or program, there are weaknesses to Quality Management. One weakness is that focusing on quality improvement may cause the company to ignore processes that are already working well (Business Knowledge Source, 2010). Another weakness,

according to Business Knowledge Source (2010), is that creativity may be stifled since the focus is on improving processes based on customer needs.

Third, quality management puts a lot of pressure on employees to get things right the first time, leaving little room for trial and error (Business Knowledge Source, 2010). A fourth weakness, and maybe the biggest, is that it is costly in the short run. Companies looking at quality management should be ready to make a long term commitment to improvement and not be looking for a quick fix (Business Knowledge Source, 2010). Additional costs can be incurred as professionals are used to test and re-test products.

Another weakness is that production often has to stop in order to implement process changes. This can be costly for customer relations if transitions are not smooth. A final weakness with quality management is that every member of the organization, at all levels, must buy into the program in order for it to be effective (Business Knowledge Source, 2010). Despite these weaknesses, quality management is a popular program that is being used by more businesses in more industries every day.

### **Summary of Quality Mangement**

Quality Management is a business management model designed to continuously improve all elements of the business to increase customer satisfaction and increase profits by reducing errors and reducing waste. Quality management programs can include Total Quality Management (TQM) programs, Six Sigma, Lean, and/or a variety of other programs. The basic factors of a QM program include Customer focus, Leadership, Engagement of People, Process Approach, Improvement, Evidence Based Decision Making, and Relationship Management (Quality Management Principles, 2015). While QM involves all aspects of a business, the

primary focus for most businesses is on improving processes to improve worker efficiency and reduce errors and waste. A comprehensive QM program will help a company remain competitive, drive sales, reduce employee attrition, and improve the company's bottom line.

### **How Can Transformational Leadership be used with Quality Management?**

At first glance it may appear that Transformational Leadership and Quality Management are polar opposite in scope. Transformational Leadership is a leadership style that emphasizes collaboration and innovation along with individual development. Quality Management, on the other hand, is a management technique that focuses on system improvement, policies and procedures, and conformity, or adherence to set policies. How can these two apparently opposite ideals work together to improve a company's performance?

A closer look reveals that Transformational Leadership and Quality Management actually have a lot in common. Both rely upon a strong commitment from management and a focus on innovation. In fact, nine of Deming's fourteen points deal with leadership from upper management. (Hirtz, 2007). These points include constancy of purpose, creating a plan and communicating that plan through mission statements and company culture; avoiding a reliance on mass inspection; not awarding business on price; training; leadership; driving out fear; breaking down barriers; eliminating quotas, and education. Transformational leaders will use their idealized influence to model a commitment to quality within the organization and will use inspirational motivation to communicate the business philosophy and success stories along the way to quality improvement. They will use the intellectual stimulation aspect of transformational leadership the most to impact quality management. Creativity and innovation, which are vital aspects of quality management, can be encouraged with training, leadership and mentoring, education, and the elimination of communication barriers. Organizational training is a critical

aspect of quality management since it can help stimulate workers and drive performance. The area where a Transformational leader can have the most impact in a quality management program, especially in the early stages of a new program, is with Individualized Consideration. The leader must listen to the input and concerns of workers at all levels of the organization. This will encourage innovation and participation in new quality enhancements. Leaders at all levels of the organization must act as coaches and advisors to those they work with to develop their abilities and competencies. Allowing workers to contribute to change in policies and procedures will greatly increase pride of workmanship, an important aspect of quality management according to Deming, and increase commitment to quality efforts.

Juran (1989) also stressed the need for upper management to drive quality management transformation. Leaders must be involved in setting goals and developing processes by including workers in the decision making process. As they evaluate performance against goals, they can inspire motivation by recognizing successes and mentoring for success. For quality improvement, under Juran's Trilogy, transformational leaders can have a huge impact on quality by carefully identifying projects and teams, delegating authority to those teams, which will boost motivation and commitment. Leaders should also be involved in providing the necessary resources and training to create an environment for success.

Constant improvement and quality improvement are important factors in each of the leading quality management models. Deming, Juran, and Crosby all stress the need for constant improvement, but improvement cannot happen without innovation. As mentioned earlier, one of the weaknesses of QM is that creativity and innovation may be stifled by the pressing need to meet customer needs and the pressure to perform specific tasks without error, leaving little room

for trial and error. Encouraging creativity and innovation is one area where Transformational Leadership can have the greatest impact on a Quality Management program.

Jung, Chow, and Wu (2003) stated that top managers' leadership style has been identified as one of the most important factors effecting organizational innovation. When looking at transformational leaders, the researchers found that transformational leaders improve performance by actively engaging the personal value systems of workers. By linking workers identities to the collective identity of the organization, transformational leaders increase the worker's intrinsic motivation to perform their jobs. Communicating the organization's vision and mission allows workers to understand their role within the organization and increases their willingness to put their own self-interests aside for the organization. The intrinsic motivation encouraged by transformational leaders leads to increased creativity because highly motivated workers tend to seek novel approaches to solving problems (Garcia-Morales, 2008).

When transformational leaders provide intellectual stimulation, through training or mentoring, they encourage workers to adopt a more generative and exploratory thinking process, leading to innovation. In other words, providing intellectual stimulation encourages workers to participate in constant quality improvement within the organization. This, in turn, allows for enhanced processes and greater pride in workmanship, which allows for more quality improvement.

Jung et al. (2003) also theorized that Transformational Leaders empower workers to seek innovative approaches to their work. Providing some autonomy or freedom at the individual or team level allows workers to come up with new ideas and try them out. Workers with transformational leaders tend to be more self-confident, thus more willing to experiment with new ideas.

One important aspect of innovation within the organization is the support from management. Transformational leaders help create an environment that recognizes success, but also acknowledges attempts to improve without negative consequences. This is closely tied to the trust factor that transformational leaders engender with their workers.

An interesting development from the study conducted by Jung et al. (2003) was the negative relationship between empowerment and innovation. Their study showed that company's that give more autonomy to workers actually see less innovation. They believe that one reason for this result in their study was the culture in which they conducted the research. The research was conducted within companies in Taiwan and their culture is such that workers expect more input from their supervisors and managers, so they are uncomfortable with taking risks. The researchers suggest that a solution to this aspect would be more direct involvement from leadership, setting goals and establishing guidelines within which the workers can work freely. Overall, the study by Jung et al. (2003) did show a positive relationship between transformational leadership and innovation.

In another study, Rui, Emerson, and Luis (2010) looked at the relationship between Transformational Leadership and TQM, looking at the aspects of innovation, creativity, trust, and teamwork. For their study, they developed a model that graphically shows the correlation between leadership and quality, which they label as organizational culture. In this model, both transformational leaders and the organizational culture place a lot of emphasis on people commitment. This commitment leads to greater input on TQM policies and practices from the workers, with input from leadership and the organizational culture. These policies and practices then lead to greater TQM results. The researchers theorized that Total Quality is the result of innovation capacity, and is determined by creativity, trust, and team work. Transformational



Leaders play an important role in developing each of these aspect within the organization. Their conclusion is that total quality is the responsibility of all members of an organization, with top management playing the greatest role and that a transformational leadership style is the best style for developing the total commitment needed for quality from all levels of the organization.

### **Conclusion**

Transformational Leadership is a leadership style that ideally brings out the best of individuals at all levels of an organization. It is a flexible, adaptive style of leadership that can be utilized in almost any situation, any industry, or any organization. Quality Management is a management technique designed to constantly improve policies and procedures within an organization to improve customer satisfaction while reducing errors and waste. Developing and maintaining a good quality management program can be challenging for any organization. Quality management requires constant improvement, change, and dedicated effort by all individuals within the organization in order for it to work. That is where Transformational Leadership can play a key role.

By utilizing the Four I's of Transformational Leadership, a leader can have a profound impact on a quality management program. With Idealized influence, a transformational leader can use his charisma to set the moral and ethical standards of the organization and communicate a clear mission statement and culture to the followers within the organization, setting a clear path toward a commitment to quality. With Inspirational Motivation, the transformational leader can communicate high expectations for quality and encourage all followers to commit to the quality management program. Using Intellectual stimulation, the transformational leader will mentor his followers, provide opportunities for professional and personal education and training, and develop a learning atmosphere withing the organization. He will encourage collaboration

between teams, processes, and management levels to encourage a creative and innovative environment. Finally, through Individualized Consideration, the transformational leader will include the individuals needs of all followers in his decisions, help individuals develop their skills and abilities, recognize success stories, and improve the self-confidence and self-reliance of workers at all levels of the organization.

A true transformational leader can be a driving force for any quality management process. By showing the way and leading by example, a dynamic transformational leader can truly help transform any organization into a quality organization ready to compete in today's rapidly changing environment. The key is to develop an organization of leaders who are committed to providing the best quality for external and internal customers on a consistent basis.

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